

Financial Markets Conduct (FNZ Group) Exemption Amendment Notice 2021

Pursuant to sections 556 and 572 of the Financial Markets Conduct Act 2013, the Financial Markets Authority, being satisfied of the matters set out in section 557 of that Act, gives the following notice.

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Notice

1 Title

This notice is the Financial Markets Conduct (FNZ Group) Exemption Amendment Notice 2021.

2 Commencement

This notice comes into force on 1 November 2021.

3 Principal Notice

This notice amends the Financial Markets Conduct (FNZ Group) Exemption Notice 2021 (the **Principal Notice**).

4 Clause 4 amended (Interpretation)

In clause 4(1) of the Principal Notice, replace the definition of “**FNZ Group member**” with:

FNZ Group member means any of FNZ Limited, FNZ Custodians Limited and FNZ Services (New Zealand) Limited

Dated at Wellington this 29th day of October 2021.



Liam Mason
General Counsel
Financial Markets Authority

Statement of Reasons

This notice, which comes into force on 1 November 2021, amends the Financial Markets Conduct (FNZ Group) Exemption Notice (the **principal notice**).

The main effect of the principal notice is to allow an FNZ group member to hold firm money with scheme property of a self-select scheme in the FNZ client money trust account to the extent that it is reasonably necessary to rectify or reduce the risk of a shortfall arising in the scheme property held in that account. The principal notice also provides relief from obtaining a scheme custodian assurance engagement report. The current FNZ group members that can rely on the principal notice are FNZ Limited and FNZ Custodians Limited.

This notice amends the definition of 'FNZ group member' to add an additional group entity, FNZ Services (New Zealand) Limited. Following a group restructuring, FNZ Services (New Zealand) Limited now has responsibility for certain operational aspects of providing client money or property services or scheme custodian services, including the operation of buffers. FNZ Limited and FNZ Custodians Limited remain the entities responsible for scheme custodian obligations.

The Financial Markets Authority (the **FMA**), after satisfying itself as to the matters set out in section 557 of the Financial Markets Conduct Act 2013 (the **Act**), considers it appropriate to amend the principal notice so that an additional group entity can rely on it. The FMA is satisfied that the policy reasons for granting the exemption in the principal notice remain valid and relevant, and that the exemption continues to be desirable to promote 1 or more of the purposes of the Act. The FMA is further satisfied that the amendment is not broader than reasonably necessary because it does not materially alter the effect of the principal notice and the exemption is restricted to group entities that are involved in providing client money or property services and scheme custodian services in respect of the self-select schemes.

